PART III.

Duke of Newcastle to Governor Douglas.

VANCOUVER ISLAND,
No. 34.

DOWNING STREET, 20th August, 1863.

Sir,

I duly received your Despatch No. 11, of the 20th April last, in which you propose as a final settlement of the questions in dispute between the Crown and the Hudson's Bay Company, that the Crown on the one hand should give up a lot of land at the foot of Fort street, assigned to it by the Agreement of February, 1862, for a Harbor Master's Office, &c., and that the Company on the other hand should surrender in exchange for it a lot at foot of Broughton street for the same purpose, and should also give up a portion of the Government Reserve marked Z on the plan prepared by Mr. McTavish, and the lots 1603, 1605, and 1607. The first being the lot on which the Post Office stands and the other adjoining lots required for the public service.

I submitted this proposal for the consideration of the Hudson's Bay Company, and you will perceive from the enclosed copy of a letter which I have received from them in reply that they are ready to accept this arrangement so far as they have the power to do so; but they desire it to be understood (as is reasonable) that they surrender only the rights they actually possess, and that the arrangement is made subject to and saving the rights of third parties (if any) to whom the lots in question may have been already conveyed.

I have therefore to instruct you as soon as the lots in question have been transferred to the Crown, to prepare an accurate map of the land and to settle with the agent of the Company the terms in which the land to be secured to the Company and that to be returned to the Crown are to be described in the reconveyance of the Island to the Crown. As soon as you furnish me with these particulars, letters patent will be passed under the Great Seal for effecting the reconveyance.

I have, &c.

(Signed) NEWCASTLE.

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Sir Edmund Head to the Duke of Newcastle.

[COPY.]

HUDSON'S BAY HOUSE, LONDON,
1st August, 1863.

My Lord Duke,

I have the honor to acknowledge the receipt of Mr. C. Fortescue's letter of the 24th ultimo, transmitting extracts from a despatch addressed to your Grace by the Governor of Vancouver's Island on the subject of the land in Victoria surrendered by this Company to the Crown, under the Agreement of the 3rd February, 1862, in which Mr. Fortescue announces that if the Hudson's Bay Company are prepared to surrender the portion of the Government Reserve marked Z in Mr. McTavish's plan, and the lots marked 1605 and 1607, with the adjoining lot 1603 upon which the Post Office is built, your Grace will consent to give up the lot reserved to the Crown at the foot of Fort street, on which the Company have buildings, in exchange for a lot of the same extent at foot of Broughton street.

I beg to assure your Grace that the Directors of this Company have no wish to throw any obstacles in the way of a settlement of the questions remaining unsettled with respect to their transfer of Vancouver Island. On the contrary, they are most anxious to second your Grace's wishes in that respect to the utmost of their power.

It is with great pleasure, therefore, that I have to acquaint your Grace that my colleagues and myself are quite ready to do all in our power to settle the unadjusted matters on the terms suggested in Mr. Fortescue's letter. On the part of the Hudson's Bay Company we are ready to surrender any right or title the Company may have in the lots marked in Mr. Mactavish's plan with the letter Z, as well as the lot 1603, on which the Post Office is built, and the two lots adjoining thereto marked 1605 and 1607. We are also ready to surrender the lot at the foot of Broughton street in exchange for the lot at the foot of Fort street, on which it was originally intended that the Harbor Master's Office should be built. In making these concessions, however, it must be understood that the Hudson's Bay Company surrendered only the rights which they actually possess, and that the arrangement is made subject to and saving the rights of third parties (if any) to whom the lots in question may have been already conveyed.

As this is, as far as the Directors of this Company are aware, the only question which remained to be adjusted between the Crown and this Company, we saw no reason why steps should not be at once taken for preparing the Deed of Reconveyance of Vancouver Island to the Crown.

I have, &c.,

(Signed) EDMUND HEAD

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Colonial Secretary to Mr. Mactavish.

COLONIAL SECRETARY'S OFFICE,
November 12th, 1863.

Sir,

I am desired by the Governor to acquaint you, with reference to previous correspondence upon the subject of the Reconveyance to the Crown of lands by the Hudson Bay Company, that with a view to a speedy settlement of the question in dispute His Excellency proposed that the Crown on the one hand should give up a lot of land at the foot of Fort street assigned to it by the Agreement of February, 1862, and that the Company on the other hand should surrender in exchange for it a lot at the foot of Broughton street, and should also withdraw their claim to the portion of the Government Reserve marked Z on the plan submitted by you in your letter of the 29th July, 1862, and to the two lots in Government street, adjacent to the Post Office lot.

2. Her Majesty's Principal Secretary of State for the Colonies having submitted this proposition to the Hudson Bay Company, the Company have declared their readiness to surrender any right or title the Company may have in the lots marked in Mr. Mactavish's plan with the letter Z, as well as the lot 1603 on which the Post Office is built, and the two lots adjoining thereto marked 1605 and 1607; and the Company are also ready to surrender the lot at the foot of Broughton street in exchange for the lot at the foot of Fort street, on which it was originally intended that the Harbor Master's Office should be built, desiring it, however, to be understood in making these concessions that the Company surrender only the rights which they actually possess, and that the arrangement is made subject to and saving the rights of third parties (if any) to whom the lots in question may have been already conveyed.

3. His Excellency therefore directs me to ask for a precise description of the land that will be coming to the Crown under this arrangement, and also whether you are empowered at once to make a formal conveyance of the same.

I have, &c.,

(Signed) WILLIAM A. G. YOUNG.

VICTORIA, VANCOUVER'S ISLAND,
21st November, 1863.

W. A. G. YOUNG, Esq.,
Colonial Secretary.

Sir,

I beg to acknowledge receipt of your letter of the 12th inst., addressed to Mr. Mactavish, asking first for a precise description of the land that will be coming to the Crown, under an arrangement stated in your letter to have been made between Her Majesty's Principal Secretary of State for the Colonies and the Hudson's Bay Company; and secondly, whether Mr. Mactavish is empowered at once to make a formal conveyance of the same.

In reply to His Excellency's enquiry, I have the honor to state that the lands to come to the Crown under the arrangement you refer to is, First, Lot marked and known as No. 15, in block 70, on Mr. Mactavish's plan, submitted to His Excellency the Governor with his letter of July 29th, 1862. Said lot is on the water side of Wharf street, at the foot of Broughton street, and was originally reserved as a site for the Harbor Master's Office, being the lot intended to have been surrendered by the Indenture of 3rd February, 1862, but which was therein erroneously described as situated at the foot of Fort street.

Second, Two lots on Government street, respectively marked on the plan Nos. 1605 and 1607, and adjoining the lot marked No. 1603, surrendered to the Crown in the Indenture above mentioned, and designated in former correspondence in reference to this subject as the Post Office lot.

With regard to the lot marked Z on the plan, also mentioned in your letter, I have very respectfully to state that this lot cannot be conveyed to the Crown for the reason that it has long since been sold to a third party whose rights were distinctly reserved ("saved") by the terms of the arrangement referred to in your letter under reply.

And in reply to His Excellency's query respecting a formal conveyance of the above mentioned property, I have to state that these lots are at His Excellency's immediate disposal on behalf and for the uses of the Crown; and that the Hudson's Bay Company's Agents here are authorized under power of attorney, and are ready at once to execute a formal con[illegible]ce of all the right and title of the Company therein.

I have, &c.,

(Signed) WILLIAM FRASER TOLMIE.

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